

THE STATE UNIVERSITY OF NEW JERSEY  
**RUTGERS**

Chair  
Board of Governors

7 College Avenue  
New Brunswick • New Jersey 08901-1260

732/932-7434  
FAX: 732/932-1245

January 22, 2003

President Richard L. McCormick  
Office of the President  
Old Queen's Building  
Rutgers, The State University of New Jersey  
83 Somerset Street  
New Brunswick, NJ 08901-1281

Dear Dr. McCormick:

The Board of Governors of Rutgers, the State University of New Jersey is delighted that you have agreed to serve as the 19<sup>th</sup> President of Rutgers. This appointment letter sets forth the agreements, understandings, expectations, rights and obligations between you and Rutgers regarding your employment as President. Your appointment as President of the Corporation (Rutgers, the State University) and of the University commences on December 1, 2002. You hold office indefinitely at the pleasure of the Board of Governors.

You are a University Professor and Professor II with academic tenure and, therefore, shall be subject to the same University rules and protections applicable to other tenured members of the faculty.

As President, you shall serve as the chief academic and administrative officer of the University as provided in the Charter and in the By-Laws of the Board of Governors and you are clothed with corresponding authority. You shall report directly to the Board of Governors and you are responsible to the Board of Governors and to the Board of Trustees for the conduct of the University in accordance with law and the policies of both boards. You shall serve as a non-voting ex officio member of the Board of Governors and of the Board of Trustees.

You shall perform the duties incident to the presidency including, without limitation, the duties set forth in the provisions of the Rutgers, the State University law, the by-laws of the Board of Governors and the Board of Trustees, the regulations of the Board of Governors, and other actions of the Board of Governors or the Board of Trustees, it being understood that these duties shall be limited to those duties customarily performed by presidents of public Association of American Universities ("AAU"). Subject to provisions below regarding your public responsibilities and outside activities,

you shall devote your full business time, attention, skill and efforts to the faithful performance of your duties as President.

The University shall provide funds to enable the President to undertake professional activities and special initiatives and to entertain for University related activities consistent with the office of President. The specific amount of these funds shall be adjusted annually based upon budgetary considerations and the specific nature of your presidential activities. The University also shall provide funds for your spouse to accompany you on University-related business trips.

With respect to your compensation and benefits the following provisions shall apply. You shall be paid a base annual salary of \$525,000 to be paid bi-weekly in accordance with the University's regular payroll practices as they may be amended from time to time. Your salary shall be reviewed annually and salary adjustments shall be at the discretion of the Board, or its Committee on Executive Compensation which shall inform the full Board of any changes in your salary.

On or before August 1, 2003, and each year thereafter, you shall provide the Chair of the Board of Governors with a list of proposed goals and objectives for the twelve-month period beginning on September 1. You and the Board of Governors (or a committee or sub-committee thereof, as the Board shall determine, and referred to in this paragraph as "Board") will discuss your goals and objectives, after which the Board shall agree upon goals and objectives for that twelve-month period. On or before August 1 of each calendar year, you shall initiate the evaluation process for the period that began on September 1 of the prior calendar year by submitting to the Board a self appraisal of said period's performance. This appraisal shall address performance related to each of the goals and objectives established for the preceding year. After you have submitted this self appraisal, the Board shall evaluate your performance during the previous academic year based on your achievement of the mutually agreed upon specified goals and objectives and such other criteria as the Board deems appropriate. To aid the Board in its annual performance review, you will furnish to the Board such oral and written reports as it may request.

You shall be eligible to participate in the standard benefits package available to other senior administrators of the University. By way of example only, these benefits currently include health insurance, life insurance, disability insurance, pension program, tax-deferred savings plans, flexible spending accounts, and vacation and sick leave. Some of these benefits are provided by the State of New Jersey and are subject to state legislation, rules and regulations. With respect to both benefits furnished by the State of New Jersey and benefits furnished by Rutgers, these benefits may change from time to time and you shall be subject to changes applicable to other senior administrators. With

respect to your pension (TIAA/CREF retirement annuity) and benefits, pursuant to July 9, 1997 Board of Governors Resolution, employer and employee contributions will be made based upon your entire salary, subject to applicable law. With respect to those benefits for which a waiting period is required, the University will cover the cost of providing interim coverage either by paying the premiums to continue your present coverage or by purchasing short-term coverage.

Rutgers shall pay annual membership fees for you and your family that may be charged for use of the Werblin Center and other University health and recreational facilities, including the Rutgers Golf Course, or for use of another athletic club in the New Brunswick area.

For the benefit and convenience of the University and as a condition of your employment as President, you will reside in the University-owned President's residence, except while this residence is unavailable due to renovations or other cause. During this period of unavailability, the University will provide you and your family with the option of residing in another University-owned residence or in a home in the New Brunswick area suitable for you and your family to be rented by the University. The University shall furnish all public spaces of the residence and provide staff with responsibilities for cleaning, groundskeeping, repairs, and general maintenance of the residence. Maintenance of the residence includes payment of utilities. Rutgers will cover the cost of storing your furniture and personal effects for which there is no space in the temporary President's residence until such time as you move into the President's new residence.

You agree that, for the convenience of the University, the President's Residence shall be available, and will be used, for University-related business and entertainment on a regular and continuing basis. Costs associated with such University events will be paid by the University. In the event it is not feasible to entertain at the President's Residence due to a large number of invited guests or for any other reason, the University shall provide another location suitable to host such an event and will bear the costs for same.

In addition, the University shall pay all reasonable and necessary business expenses you incur in operating your home office, including, without limitation, a computer, a facsimile machine, a telephone, telephone service, and a high-speed Internet connection dedicated to University business. If the home office used for University business purposes is deemed a taxable benefit by the Internal Revenue Service or the State of New Jersey, the University will reimburse you for any such taxes paid by you to the Internal Revenue Service or to the State of New Jersey.

The University shall provide you with one (1) University-owned full size automobile and will pay the costs of fuel, maintenance, repairs, and insurance. A Rutgers

police officer shall be available upon request to drive for your University-related travel. With respect to any use of this vehicle for your personal or family use, upon request of the University you will provide information about mileage so that the University can impute the fair market value of such usage to you as ordinary income, in accordance with applicable Internal Revenue Service regulations and University policy. To the extent that you use your personal (non-University-owned) automobile for University business, the University will reimburse you for this business travel at the mileage reimbursement rate applicable to other University employees.

In order to facilitate your move from Seattle, Washington to New Brunswick, New Jersey, the University shall pay all reasonable expenses incurred in the transition from Seattle to New Brunswick, including the cost of moving you, your family, and your household furniture and personal effects.

The following shall apply with respect to your public responsibilities and outside activities. The University recognizes that it is both appropriate and beneficial for you, in your capacity as President of Rutgers, to serve on outside boards, and in positions of responsibility in national and international associations related to education and other areas of public interest. You will obtain the approval of the Chair of the Board of Governors prior to undertaking such responsibilities. Members of the Board of Governors and of the Board of Trustees shall make good faith efforts to assist you in securing corporate board appointments. Further, you may engage in other outside activities such as delivering speeches, publishing, and consulting. All of your public responsibilities and outside activities may be undertaken so long as they do not detract from your duties as President of Rutgers and are consistent with applicable conflict of interest laws and policies.

It is your present intention to devote at least five (5) years to the Presidency. If you determine to leave the Presidency, at any time, the Board expects that you will provide one (1) year's notice, if possible, and, in no event, not less than six (6) months notice.

Upon successful service as President for five (5) years, the University shall pay you a retention bonus of \$500,000. The University will create an unfunded deferred compensation account which shall be a bookkeeping device to implement this retention bonus provision, as follows. On November 30, 2003 and on each November 30 in 2004, 2005, 2006 and 2007, provided you are serving on that particular November 30 as President of the University, the deferred compensation account will be credited with the amount of \$100,000. You shall be entitled to receive distribution of the deferred compensation account as follows: First, if you die while serving as President, the entire deferred compensation account as of the date of death will be distributed as soon after

your death as practicable to the beneficiary you have designated. Second, if you become disabled while serving as President, the entire deferred compensation account as of the date of disability will be distributed to you as soon thereafter as practicable. Disability means that you are unable to substantially perform with reasonable continuity the material duties of the presidency due to a medically determinable physical or mental impairment that is expected to be of long, continued and indefinite duration and that has been certified as such by a physician selected by the Board of Governors. Third, subject to the forfeiture provision below, if you are asked by the Board of Governors to leave the position of President of Rutgers, the entire deferred compensation account as of that date will be distributed to you as soon thereafter as practicable. Fourth, if you complete five (5) years of successful service and are serving as President on December 1, 2007, the entire \$500,000 will be paid to you. If, prior to December 1, 2007, you voluntarily leave the position of President of Rutgers, you will not receive this retention bonus but, instead, shall forfeit all rights to this deferred compensation account. Further, if, while serving as President, it is determined by the Board of Governors that you have engaged in conduct that constituted actual fraud, actual malice, willful misconduct or an intentional wrong under the New Jersey Tort Claims Act, but only if such determination is rendered and notice thereof delivered to you prior to December 1, 2007, then you will not receive this retention bonus but, instead, shall forfeit all rights to this deferred compensation account. Your rights to the amount credited to the deferred compensation account shall be those of an unsecured general creditor of the University. Neither you nor your beneficiary may assign, transfer, pledge or otherwise encumber any amount in the deferred compensation account, nor shall any such amount be subject to seizure for payment of your debts, judgments, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. The University may withhold from any distribution on the account described above all federal, state and other taxes as required by law.

Upon your return to the faculty at the conclusion of your presidency, your annual salary as a University Professor and Professor II with academic tenure will be no less than that amount that is the salary of the faculty member with an academic year appointment holding a special professorial title whose salary is at the highest decile of the then serving faculty members holding such appointments at Rutgers, excluding medical school faculty if a medical school should then exist at the University.

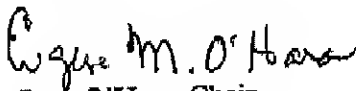
Upon leaving the position of President, you shall be granted, upon your request, a twelve month sabbatical leave. Your annual salary during this leave shall be as set forth in the preceding paragraph. You shall have no obligation to return to the faculty at the conclusion of this sabbatical. However, if you accept full-time employment elsewhere or retire while on this sabbatical, any remaining portion of the sabbatical shall be forfeited.

The terms of your appointment are set forth in this appointment letter and they may be modified only in writing by you and the Board of Governors. This appointment letter represents the entire understanding between you and the Board of Governors with respect to the terms of your appointment. However, it is understood that you are subject to all University regulations, policies and procedures generally applicable to other senior administrators except as may be otherwise specifically provided for in this appointment letter. If anything in this letter is held unenforceable, then effect shall be given, so far as possible, to the intent manifested by the portion held unenforceable and the remainder of the terms in this appointment letter shall remain in full force and effect. The rights and obligations of you and of the University that are set forth in this appointment letter shall be construed and determined according to the laws of the State of New Jersey, which shall be the forum should a dispute arise from or incident to the terms set forth herein.

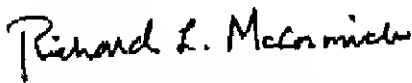
While this appointment letter must, of necessity, be rather formal in content, it is appropriate that I express again here the great confidence with which the Board of Governors anticipates the contributions which your presidency will make to Rutgers.

Please indicate your acceptance of this appointment, and the agreements, understandings, expectations, rights and obligations as set forth herein, by signing below.

Sincerely,

  
Gene O'Hara, Chair  
Board of Governors

Accepted:

 1/23/03  
Richard L. McCormick      Date



Richard L. McCormick, President

August 4, 2008

The Rev. M. William Howard, Jr.  
Chair, Rutgers Board of Governors  
Office of the Pastor  
Bethany Baptist Church  
275 West Market Street  
Newark, New Jersey 07103

Dear Bill,

Thank you very much for your letter informing me that the Rutgers Board of Governors has approved an increase in my base salary and a performance bonus for my work over the 2007-08 fiscal year. I deeply appreciate this expression of confidence in my leadership and support for the positive direction in which we are moving as a university.

With gratitude for the bonus you have given me, Joan and I have decided to use that amount to fund a second \$100,000 donation to the Rutgers University Foundation to support financial aid programs for undergraduate students based on need and academic performance. We want to do our part to support Rutgers students, and we hope this gift will help to make a difference.

You and your fellow members of the Board have my gratitude and my continued admiration for your leadership and counsel.

Sincerely yours,

Richard L. McCormick

c: Carol P. Herring, President  
Rutgers University Foundation



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Board of Governors

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July 24, 2008

Richard L. McCormick  
President  
Rutgers, The State University of New Jersey  
83 Somerset Street  
New Brunswick, NJ 08901

Dear Dick,

This letter is to confirm our recent conversation advising you that the Committee on Executive Compensation and Nominations met on June 12, 2008, to review your performance and annual compensation. The Committee reviewed your report on the University's 2007-2008 Areas of Emphasis and Effort and noted the significant progress that has been made this year (and in prior years) under your outstanding leadership. Your efforts in enhancing Rutgers' academic quality, providing improvements in student life and expanding the university's public service mission have been remarkable, especially given the continuous shortfall in state support for Rutgers.

The Committee also noted that since your initial appointment in 2002, you have refused to accept an increase to your base salary; however, the Board believes that even in austere times university staff and faculty should be appropriately compensated for their good work. With that in mind, the committee has determined to award you a 4.75% increase to your base salary for an increase of \$25,000 and, consistent with our practice and your appointment letter, the Committee has informed the full Board of this determination. In addition, you will be awarded the contractual annual bonus of \$100,000. These will both be retroactive to July 1, 2008.

Let me take this opportunity to say how very much we appreciate the fine work you are doing on behalf of the university and the citizens of the state of New Jersey.

Warm regards,

A handwritten signature in cursive script that reads "Bill Howard".

M. William Howard, Jr.

RECEIVED

AUG 4 2008

OFFICE OF THE PRESIDENT





Richard L. McCormick, President

August 4, 2008

The Rev. M. William Howard, Jr.  
Chair, Rutgers Board of Governors  
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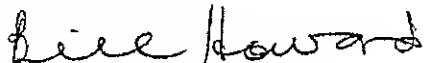
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M. William Howard, Jr.

**RECEIVED**

AUG 4 2008

OFFICE OF THE PRESIDENT

## **DRAFT**

### **UNIVERSITY MISSION AND GOALS**

**2010-2011**

#### **University Mission – Element 1: To Provide Access to an Outstanding Educational Experience for a Diverse Student Body**

A principal goal for Rutgers is to attract and retain the most high-achieving students by offering them an outstanding and relevant education provided by world-class scholar-teachers using state-of-the-art facilities. Rutgers strives to provide students, both traditional and nontraditional, with the knowledge and skills to succeed in a highly competitive global economy. Because a central purpose of the university is to provide access to these opportunities for all the citizens of the state, the university's high-quality student body (and its faculty, staff and administration) should reflect the broad diversity of the state. Geographic diversity, achieved by attracting students from throughout the nation and around the world, prepares students to enter an internationalized society and helps the university fulfill its role in promoting the state's economic development. This mission depends on investments in the human and physical resources of faculty, staff, and facilities, and on attention to students' personal and academic development.

#### **University Mission – Element 2: To Conduct World-Class Research that Advances Knowledge and Acts as an Economic Engine for the Region**

The distinguishing feature and added value of Rutgers is a faculty that engages actively in widely recognized, cutting-edge research. A research-active faculty ensures that course work includes the most advanced concepts and techniques; enables students to engage in intensive experiential and inquiry-based learning that seeks resolution of significant, real-world problems; and hones our students' skills of critical analysis, disciplinary methodology, healthy skepticism, information retrieval, effective communications, and teamwork. World-class research programs bring the university recognition, competitive advantages in attracting top students and faculty, and, not insignificantly, many hundreds of millions of dollars in grant-funded research. Finally, and very importantly, research results can frequently be translated into innovative technologies and discoveries that can be exploited by the university and its partners to improve the human condition, advance the state's economy, and create jobs.

**University Mission – Element 3: To Serve the Public Good and Help Realize Societal Potential by Extending the Work of the University Beyond its Borders**

The work of a great public research university is measured not only by the quality of the educational experience afforded to its students and the scholarly accomplishments of its faculty but also by the extent to which the university's research and service activities benefit the larger society. Rutgers is committed to serving New Jersey through the dissemination of practical knowledge in a broad spectrum of areas, including health, agriculture, environmental protection, and nutrition. Rutgers plays a profound role in promoting the advancement of opportunity for the citizens of New Jersey and the nation as a whole by helping individuals to achieve their full potential. Rutgers promotes social justice through its endeavors of outreach and community development, and offering direct assistance to those in need of legal, health, or other types of help. Rutgers students, faculty, and staff engage in thousands of hours of service annually, through which they donate their labor, expertise, and financial resources to benefit others. Finally, through all its endeavors, including the organization of its business operations and the purchase of goods and services, Rutgers works to equitably increase prosperity throughout the region.